NORMAN Y. MINETA

SAN JOSÉ INTERNATIONAL AIRPORT

MASTER PLAN UPDATE PROJECT

SAN JOSÉ, CA

FIFTH

ADDENDUM TO THE

ENVIRONMENTAL IMPACT REPORT

City of San José Public Project File No. PP05-062

CITY OF SAN JOSÉ

APRIL 6, 2005

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SECTION 1. INTRODUCTION

This document is an Addendum to an Environmental Impact Report (EIR) on the Master Plan Update (the "Airport Master Plan") for the Norman Y. Mineta San José International Airport (SJC), which EIR was certified in June 1997, and updated with a Supplemental EIR that was certified in January 2003.

The purpose of this Addendum is to disclose the environmental impacts associated with the proposed adoption of an airline gate management plan for the centralized passenger terminal.

Under Section 15164 of the California Environmental Quality Act (CEQA) Guidelines, an Addendum to a previously-certified EIR may be prepared by the Lead Agency when a proposed action will not lead to a new significant effect or a significant effect being substantially more severe than shown in the previous EIR. [Note: If an analysis were to show a new significant effect or that a significant effect *would* be substantially more severe than shown in the previous EIR, then a Subsequent or Supplemental EIR would be required (i.e., an Addendum would not comply with CEQA).]

SECTION 2. OVERVIEW OF THE SAN JOSÉ INTERNATIONAL AIRPORT MASTER PLAN UPDATE

2.1 DEVELOPMENT AND APPROVAL OF THE MASTER PLAN UPDATE

SJC is one of the three primary airports that serve the San Francisco Bay Area. The Airport, which is owned and operated by the City of San José, is located on a site of approximately 1,050 acres in Santa Clara County at the southerly end of San Francisco Bay. The Airport is generally bounded by U.S. 101 on the north, the Guadalupe River and State Route 87 on the east, Interstate 880 on the south, and Coleman Avenue and De la Cruz Boulevard on the west.

In 1988, the City initiated a planning process to update its 1980 Airport Master Plan for SJC. The City's aviation consultants prepared demand forecasts for SJC and evaluated a series of alternative development scenarios which would adequately accommodate some or all of the projected growth in passenger and air cargo traffic at the Airport through a year 2010 planning horizon. Between 1988 and 1995, numerous meetings, workshops, and hearings occurred for the purpose of determining the range and scope of alternatives to be formally evaluated in an EIR. The City began the formal preparation of the Draft EIR for the Master Plan Update in 1995. The Draft EIR, which evaluated four alternatives (including the CEQA-mandated No Project Alternative), was published and circulated in October of 1996. The Final EIR was certified in June of 1997. The SJC Master Plan Update was approved by the San José City Council on June 10, 1997. A Supplemental EIR, which updated the noise analysis and addressed the effects of an APM, was certified in 2003.

The approved SJC Master Plan Update consists of a comprehensive and integrated package of improvements to airside and landside facilities at SJC, such improved facilities having the design capacity to fully accommodate the 2010 forecast demand for air passenger and air cargo service in a comfortable and efficient manner. Table 1 summarizes the primary improvements contained in the approved SJC Master Plan Update.

2.2 IMPLEMENTATION OF THE MASTER PLAN UPDATE: 1997 - 2005

Subsequent to the approval of the Master Plan Update in 1997, construction of various capital improvement projects has been completed or is currently underway. The most notable projects completed to date are the reconstruction/lengthening of Runway 12L/30R to 11,000 feet and the reconstruction/lengthening of Runway 12R/30L to 11,000 feet. Construction of various improvements to the on-Airport roadway system have also been completed. Current construction activities include additional roadway improvements and the new North Concourse.

Various amendments to the Master Plan Update have also been approved by the San José City Council since 1997. Table 2 lists and describes those amendments that have been approved to date.

TABLE 1

SUMMARY OF KEY PROJECTS IN THE APPROVED SJC MASTER PLAN [a]

Project Type	Description of Project
Airfield Improvements	- Reconstruct/lengthen Runway 12L/30R to 11,050 feet - Reconstruct/lengthen Runway 12R/30L to 11,000 feet
Passenger Terminals	- Modify existing terminals to create centralized passenger terminal with 49 air carrier gates and 1,700,000 square feet [b]
Public Parking Facilities	- Construct parking garages with 16,200 spaces [c]
Rental Car Facilities	- Construct consolidated 10-level parking garage with 10,000 spaces, including 2,000 ready/return spaces
Employee Parking Facilities	- Construct parking garage with 2,600 spaces
Air Cargo Facilities	- Construct new all-cargo facilities totaling 1,897,900 square feet - Construct new belly freight facilities totaling 460,500 square feet
Aviation Support Facilities	- Construct new fuel storage facility with capacity of 4,000,000 gallons
General Aviation Facilities	- Limit general aviation facilities to the southwest side of the Airport and reduce aircraft storage capacity to 360 based aircraft
Transportation and Access	- Construct on-Airport APM - Convert/upgrade Terminal Drive to 2-level roadway - Construct grade separations on Airport Boulevard at Skyport Drive and Airport Boulevard - Construct APM between Airport and Metro/Airport LRT Station

[a] Section 2.3.1 (beginning on page 2-5) of the Final EIR contains a listing and description of all SJC Master Plan projects.

[b] Number of air carrier gates limited to 40 by Section 25.04.300(B)(1) of the San José Municipal Code.

[c] Number of public parking spaces limited to 12,700 by Section 25.04.300(B)(3) of the San José Municipal Code.

Source: SJC Master Plan, as amended through 3/1/05.

TABLE 2

APPROVED AMENDMENTS TO THE 1997 SJC MASTER PLAN

Number	Description of Amendment	Type	Approval Date	CEQA Clearance
1	Interim off-Airport Office Space and Reuse of Vacated On-Airport Space for Air Carrier-related Uses	Minor	June 1998	Airport Master Plan EIR Reuse
2	Expanded Fixed Base Operator (FBO) Leasehold for ACM Aviation	Minor	June 1999	Airport Master Plan EIR Reuse
3	Interim Relocation of Federal Inspection Services (FIS) Facility	Minor	June 1999	Airport Master Plan EIR Reuse
4	Interim Rental Car Ready/Return Facility Consolidation	Minor	April 2000	Airport Master Plan EIR Reuse
5	Terminal Area Development Program Modifications (including terminal, parking garage, and roadway project revisions, as well as associated interim facility changes)	Minor	November 2001	Airport Master Plan EIR Addendum #1
6	94th Aero Squadron Early Lease Termination/Removal and Interim Reuse for Runway Project Cement Plant	Minor	December 2001	Airport Master Plan EIR Reuse
7	Relocation of FAA RTR Facility to North Side of ATCT and Reuse of Existing Site for General Aviation	Minor	February 2002	Airport Master Plan EIR Reuse
8	Automated People Mover (APM) between Airport and Metro/Airport LRT Station	Minor	March 2003	Airport Master Plan Supplemental EIR
9	Additional General Aviation Facilities on west side of Airport & Designate Employee Parking as ultimate use in Terminal A Parking Garage	Major	April 2003	Airport Master Plan EIR Addendum #2
10	Off-Airport Construction Staging & Change in Designated Location of Future Airline Maintenance/Equipment Storage Facilities	Minor	June 2003	Airport Master Plan EIR Reuse
11	Lease of 52-acre off-Airport Site for the Temporary Relocation of Rental Cars & Employee Parking	Minor	November 2004	Airport Master Plan EIR Addendum #4
12	Square Footage of Centralized Passenger Terminal increased to 1,700,000 square feet	Minor	March 2005	Airport Master Plan EIR Addendum #4

[a] Per Section 25.02.300 of the San José Municipal Code, amendments to the Master Plan Update are classified as "minor" or "major". The criteria for defining minor and major amendments are set forth in that same section of the Municipal Code.

Note: EIR Addendum #3 addressed a modification to the Airport Noise Control Program that was approved on October 21, 2003.

ATCT = Air Traffic Control Tower RTR = Remote Transmitter and Receiver

SECTION 3. SCOPE OF THIS ADDENDUM

As stated on page 1, the City is proposing to adopt a gate management plan for the 40 air carrier gates in the planned centralized passenger terminal building. Under the proposed gate management plan, the 40 gates and their associated holdrooms would be "common-use" (sometimes referred to as "shared") facilities, meaning that they would be equipped with infrastructure that would allow for their use by any airline operating at SJC. Such infrastructure will include electronic signs, kiosks, podiums, and boarding pass readers that are universally compatible with the systems used by the airlines.

When compared to the more traditional gate management plan whereby most holdrooms/gates were leased to airlines, a common-use gate system will provide the City with the ability to accommodate periodic changes in airline flight schedules more expeditiously and efficiently. The ability to accommodate such changes is important in a deregulated industry that is undergoing rapid and significant changes. For example, airlines are frequently modifying their route structure and the markets they serve in response to changes in economic and competitive conditions. In addition, airline start-ups, mergers, reorganizations, and bankruptcies are more common in today's aviation industry than in past years. Many U.S. and foreign airports employ a common-use gate management plan, especially in terminals that are used by more than one airline.

SECTION 4. ENVIRONMENTAL IMPACTS OF THE PROPOSED GATE MANAGEMENT PLAN

To assess the environmental impacts associated with any proposed project, it is first necessary to understand how that project will change the existing/current environment. This is commonly referred to as comparing the "project" to the "no project". In this case, the proposed "project" consists of the adoption of a management plan. Similar to a project that proposes to construct a building or some other direct change to the physical environment, adoption of a plan or policy can set into motion a series of events that could, in turn, result in environmental impacts.

With regard to the proposed air carrier gate management plan for SJC, the CEQA-related issues are as follows:

> When compared to existing conditions, will the operation of SJC under the proposed gate management plan increase the capacity of the facility, which could in turn result in noise, air quality, and/or traffic impacts due to increased passenger levels?
>
> If the answer to the first question is "yes", would the identified environmental effects be substantially more severe than shown in the previous EIR?

The following analysis consists of the following components:

- Description of existing air carrier gate management practices at SJC
- Description of air carrier gate management practices at SJC under proposed plan
- Comparison of existing versus proposed conditions

4.1 EXISTING AIR CARRIER GATE MANAGEMENT PRACTICES

SJC presently has 32 air carrier gates, of which 17 are located in Terminal A and 15 are located in Terminal C. Under the approved Airport Master Plan, Terminals A and C will be reconfigured into one centralized passenger terminal facility that will contain 40 air carrier gates.

The use of the 32 existing air carrier gates at SJC is currently managed under several different systems, described as follows:

Common-Use Gates: Seven (7) of the existing air carrier gates are common-use, meaning that the holdroom/gate is not leased to any airline(s). The City has the authority and discretion to assign flights

to such gates as availability permits. The common-use gates can be, and often are, shared by more than one airline. Examples includes Gates A1A and A1B that are shared by Alaska, American, and Mexicana Airlines, as well as Gate C16 that is shared by Horizon Air and Alaska Air.

Preferential-Use Gates: Thirteen (13) of the existing air carrier gates are preferential-use, meaning that the holdroom/gate is leased to an airline. The airline to which such a gate is leased has priority over the use of that gate in the event that there are multiple requests for its usage. The Director of Aviation has the authority to reallocate, relocate, and reassign such gates. The decision must, however, be preceded by a process that involves a discussion among the affected airlines. Airlines with preferential-use gates can also, with the Director's permission, enter into sublease agreements with other airlines for those gates. Preferential-use gates can be, and have been, shared by more than one airline. For example, in recent years, Gates A6 and A7 were shared by American and Southwest Airlines.

Exclusive-Use Gates: Twelve (12) of the existing air carrier gates are exclusive-use, which also mean that the holdroom/gate is leased to an airline. Similar to preferential-use gates, the airline to which such a gate is exclusively leased has priority over the use of that gate, but the Director of Aviation has the authority to reallocate, relocate, and reassign such gates. The difference is that the process for doing so is more involved and lengthy with an exclusive-use gate than with a preferential-use gate. Exclusive-use gates can be, and have been, shared by more than one airline. For example, in recent years, Gate C4 was shared by Air Canada and United Airlines. Currently, Gate C2 is shared by Skywest and United Airlines.

As leases have expired and new gates are constructed, the number of common-use gates at SJC has been increasing. As an example of the former, Gate C5A was formerly a preferential-use gate leased to Northwest Airlines, but is now a common-use gate.

The City allocates gates based on the management goal of accommodating demand in a manner that maximizes the efficient use of existing facilities to the greatest extent feasible. For example, if an airline desires to initiate or increase flights to/from SJC, the City reviews existing gate allocation and usage to determine where the requested operations can be accommodated. Depending upon a specific request to initiate or modify service at SJC, the City may adjust existing gate assignments in order to accommodate such requests. The City's decision regarding gate assignments cannot be overruled by an airline, provided that the operations of an airline with a preferential or exclusive gate are given priority over other requests.

It is important to note that, under federal law related to interstate commerce, the City cannot refuse a request to initiate service at SJC, so long as the air carrier agrees to abide by the rules and regulations pertaining to flight operations at SJC. Similarly, the City cannot - and does not - control the number of flights or time-of-day of flights, with the exception of the 11:30 p.m. to 6:30 a.m. curfew period.

Whether a gate is common-use, exclusive-use, or preferential-use, the degree to which gates are used is a function of numerous factors that are unrelated to the City's gate management practices. Usage is based on demand and how airlines choose to serve the demand. Demand for air travel, similar to demand for automobile travel, is generated by a variety of demographic, economic, and land use factors.

These factors primarily include population and job growth, but also include other factors such as per capita income, availability of low-fare air service, etc.

All existing demand is being accommodated at SJC. As requests for new or increased service are received, the additional flights are assigned to gates that are underutilized.

To summarize, under existing gate management practices:

There are 7 common-use, 13 preferential-use, and 12 exclusive use air carriers gates at SJC.
Any of the 32 existing air carrier gates at SJC -- whether common-use, preferential-use, or exclusive-use -- can be shared, reassigned, or reallocated.
The process for making/changing gate assignments/sharing varies, dependent upon its classification as exclusive-use, preferential-use, or common-use.
The City cannot - and does not - regulate the number of flights at SJC.
Gate usage is a function of demand, which is unrelated to SJC's gate management practices.

4.2 PROPOSED AIR CARRIER GATE MANAGEMENT PLAN

Under the proposed gate management plan, all of SJC's air carrier holdrooms and gates would eventually be managed as common-use facilities. As existing airline leases expire over time, gates that are presently exclusive-use or preferential-use would convert to common-use. Similarly, as new gates are constructed, they would be operated as common-use facilities. Eventually, all 40 of the planned holdrooms/gates would be common-use.

Under the proposed gate management plan, gate assignments would continue to be made by the City as they are under current practices, which is a system that accommodates demand in a manner that maximizes the efficient use of existing facilities to the greatest extent feasible. Based on its flight schedule at San José, each airline will be assigned one or more gates. Airlines needing more than one gate will be assigned adjacent gates, which will promote intra-airline connections, baggage transfers, and efficiency. This is the same as that which occurs today.

Under a common-use system, holdrooms and gates will not be leased to the airlines. This will simplify the logistics and process for reassigning, reallocating, and sharing gates, when compared to the above-described process currently used for exclusive-use and common-use gates. As noted in Section 3, a management system that more efficiently and expeditiously utilizes the airport's gates is a primary objective of the proposed plan.

As is the current case, the degree to which gates will be used in the future will be a function of numerous factors that are unrelated to the proposed gate management system, the primary factor being market demand.

4.3 COMPARISON OF EXISTING VERSUS PROPOSED GATE MANAGEMENT PRACTICES

Based on the information provided above in Sections 4.1 and 4.2, the difference between the current and proposed gate management plans will be the process by which the City assigns, reallocates, and shares gates (see also Table 3). Under the current system, the process for reassigning or reallocating gates that are exclusive-use or preferential-use is more complex than that associated with the existing common-use gates. Under the proposed system, since all gates would be common-use, there would be one uniform and streamlined process used for assigning and reallocating all 40 air carrier gates.

The proposed gate management plan would have no effect on the degree to which any gate is utilized. As noted above, gate usage is a function of unrelated factors, primarily market demand. Irrespective of how a gate is managed, the demand for air service at SJC will continue to be based on population and job growth, as well as other factors such as per capita income, availability of low-fare air service, etc. These factors are the basis upon which the forecasts for usage of SJC were developed, as reflected in the analyses undertaken in the Airport Master Plan EIR and Supplemental EIR. The forecasted demand would be accommodated at SJC whether or not the proposed gate management plan is approved.

The proposed gate management plan would not increase the number or size of the air carrier gates at SJC, nor would it increase the size of related facilities (e.g., holdrooms, access points, etc.).

Based on these facts, it is concluded that 1) the proposed management plan would not increase the capacity of the Airport, and 2) the proposed management plan would not have any effect on future passenger levels at the Airport.

TABLE 3

COMPARISON OF EXISTING & PROPOSED GATE MANAGEMENT PLANS

	Existing Gate Management Plan	Change under Proposed Gate Management Plan
Future # of Air Carrier Gates	40	no change from existing
Type of Air Carrier Gates	mix of exclusive-use, preferential-use, common-use	all common-use
Management Objectives	accommodate airline requests & maximize efficient use of gate facilities	no change from existing
Gate Assignment Process	City assigns gates, but process gives priority to airlines with exclusive & preferential gates	City assigns gates; process is streamlined
Gate Utilization	Based on airline operations	no change from existing
Passenger Demand	Unrelated to gate management; based on broader economic and market conditions	no change from existing

SECTION 5. CONCLUSION

The City of San José is proposing to adopt a new air carrier gate management plan at SJC. The proposed gate management plan is described in Section 3 of this Addendum. The City has evaluated the environmental effects of the proposed gate management plan in Section 4 of this Addendum.

Based upon the factual information contained in the above analyses, the City has reached the following conclusion:

Approval of the proposed gate management plan described in Section 3 will not have any significant environmental impacts not previously disclosed in the Final EIR, nor will there be a substantial increase in the severity of previously-identified significant environmental impacts. Therefore, no subsequent or supplemental EIR is warranted or required.

BY:

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April 6, 2005
Date

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